



REQUEST FOR QUALIFICATIONS
Affordable Housing Organization to Exercise
Condominium Conversion Right to Purchase via Designee List
City of Somerville, MA
OSPCD - Housing Division

1.0 Description

The City of Somerville Mayor's Office of Strategic Planning and Community Development, Housing Division invites qualified affordable housing organizations (criteria found on pages 2-3) to submit the documents listed below to apply for prequalification to become a potential Designee that may exercise a right to purchase provided to the City/Designee by the Condominium Conversion Ordinance. The Housing Division will maintain a list of pre-qualified affordable housing organizations who will be notified of any upcoming opportunities that result from a condominium conversion to purchase units for the purposes of maintaining them as affordable in perpetuity as per the *Guidelines for Prequalification for Consideration as a Designee for Right to Purchase Privileges in the Event of a Condominium Conversion* ("Guidelines"), which were approved by the Condominium Review Board.

Organizations approved for prequalification will be notified via email of offers to purchase condominium units. If you do not have access to email, please indicate that in the letter of interest (item 2 below) and specify your requested method of notification.

In order to be included on the list of potential Designees, applicants must submit the following to apply for prequalification:

1. Summary information on at least one recent project that demonstrates capacity to meet the above criteria including information on project financing, affordability details and other relevant information that might otherwise demonstrate compliance with the required criteria.
2. A letter of interest describing why the organization is seeking this designation, and how it foresees utilizing this designation in the future.
3. Evidence of financial capacity, e.g. unaudited financial statements or audited statements, if available.
4. A list of current and upcoming projects to determine organizational capacity.
5. A current Certificate of Good Standing from the MA Secretary of State

Please submit the above listed materials if you wish to be included on a list of pre-qualified affordable housing organizations that may potentially serve as a Designee to the right to purchase. These materials will be used by the Housing Division to evaluate the qualifications of affordable housing organizations interested in being a potential Designee to exercise the City/Designee right to purchase for units undergoing condominium conversion. Submission of the above documentation does not guarantee participation or award of any opportunity to purchase.

Upon review and approval of prequalification documents, your organization will be placed on our Designee list and we will notify you of opportunities to purchase. For further details, please see the full RFQ.

Please contact Hannah Carrillo at 617-625-6600 ext. 2575 or hcarrillo@somervillema.gov if you have further questions.

2.0 Background/Program Description

The City of Somerville's Condominium Conversion Ordinance provides the City/Designee the right to purchase for any units submitted for condominium conversion that are vacant, or where a tenant has waived their right to purchase. For additional details regarding the specific requirement, please see the Condominium Conversion Ordinance and Rules which can be found here: <https://www.somervillema.gov/departments/condominium-review-board>

For instances where a vacant unit is being converted to a condominium unit, the City/Designee has the right to purchase the vacant condominium unit before it goes on the open market, solely for the purposes of maintaining that unit as affordable in perpetuity. The City/Designee has 120 days to exercise this right. If the City/Designee does opt to exercise the right to purchase, they will then have 90 days to execute a Purchase and Sale agreement from the date of expressing intent to purchase.

For instances where a tenanted unit is being converted to a condominium unit, tenants have the right to purchase their unit before it goes on the open market. Tenants have 120 or 180 days depending on their status to determine whether or not they are exercising that right. If the tenant(s) opt to waive this right, the City/Designee then has the right to purchase, and has the remaining time that was provided to the tenant to exercise this right. If the City/Designee does opt to exercise the right to purchase, they will then have 90 days to execute a Purchase and Sale agreement from the date of expressing intent to purchase.

There is no subsidy attached to this right to purchase at this point in time. Any potential Designee would need to demonstrate the financial ability to make such a purchase following any expression of interest. In order to ensure the process through which a Designee is selected to exercise the right to purchase is equitable and fair, aforementioned guidelines were developed which were modeled off of Chapter 40T.

The selection process is as follows:

A. Organizations must meet specific prequalification criteria, which includes:

1. Direct experience within the past 5 years in negotiating for and acquiring existing market rate properties for the purposes of maintaining those properties as affordable, in perpetuity.
2. In the event rehabilitation of the property in question may be necessary, direct experience within the past 5 years in overseeing and managing the rehabilitation of occupied multi-family housing.
3. Demonstrated commitment to preserving affordable housing.
4. Expertise in Massachusetts and/or federal affordable housing financing programs.
5. Demonstrated capacity to engage constructively with tenant organizations and low- and/or moderate-income tenants of multi-family housing regarding challenges pertaining to first time homeownership, Homeowner's Association membership and/or maintaining rental stability in the event the condominium unit is maintained as rental housing.

6. Sound financial position and demonstrated ability to secure necessary development debt and equity financing.

7. Satisfactory history of fair housing compliance.

B. Interested organizations must submit the following information to apply for prequalification:

1. Summary information on at least one recent project that demonstrates capacity to meet the above criteria including information on project financing, affordability details and other relevant information that might otherwise demonstrate compliance with the required criteria.
2. A letter of interest describing why the organization is seeking this designation, and how it foresees utilizing this designation in the future.
3. Evidence of financial capacity, e.g. unaudited financial statements or audited statements, if available.
4. A list of current and upcoming projects to determine organizational capacity.
5. A current Certificate of Good Standing from the MA Secretary of State

As per the Guidelines, within 30 days of submission of an application for prequalification the City will review any submitted qualifications. The City will approve requested prequalification, disqualify the response, or request additional information. The City is solely responsible for evaluating the qualifications of interested organizations and determining their appropriate placement on the prequalified potential designee list.

C. Designee Selection

Following the receipt of an offer, the following steps will take place in order to select a prequalified Designee to exercise the right to purchase the unit in question:

1. Confirmation of Eligibility- Using the selection criteria above, the City will evaluate and/or confirm whether the Designee (a) initially satisfies the Initial Prequalification Criteria (b) has an interest in serving as Designee and (c) has access to the necessary funding needed to acquire and rehabilitate the unit(s) as necessary within the timeline prescribed by the Condominium Conversion Ordinance, Section 7-64(4) and (d) has the administrative capacity to take on the additional project.
2. Selection- Taking into consideration the criteria, size and scope of the project, the City will select the Designee. In the event there are multiple prequalified Designees interested in the acquisition, the City will select the Designee that is best positioned to execute the project in the City's best judgement.

3.0 Submission Instructions/Requested Information

To apply for prequalification and inclusion on our Designee list of affordable housing organizations, organizations must submit the enumerated documents listed above to: **Hannah Carrillo, Housing Division, City Hall Annex, 50 Evergreen Ave., Somerville, MA. 02145**. The Housing Division will regard information provided as an accurate portrayal of the organization's qualifications, and any discrepancy between the information provided and any other information gathered may result in disqualification. Please call Hannah Carrillo, Staff to the Condominium Review Board at (617) 625-6600 Ext. 2575 or the Housing Director Mike Feloney at (617) 615-6600 Ext. 2565 with any questions.